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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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John E. Logan

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June 30, 1999

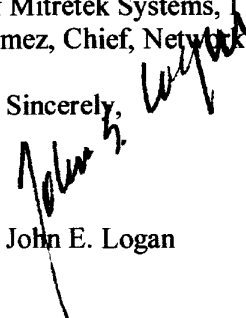
Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, NW  
Washington, D.C. 20554

Re: *Ex Parte* Presentation  
CC Docket 92-237 /  
NSD File No. 98-151

Dear Ms. Salas:

On Tuesday, June 29, 1999, on behalf of Mitretek Systems, I sent, by facsimile transmission, the attached document to Anna Gomez, Chief, Network Services Division, Common Carrier Bureau.

Sincerely,

  
John E. Logan

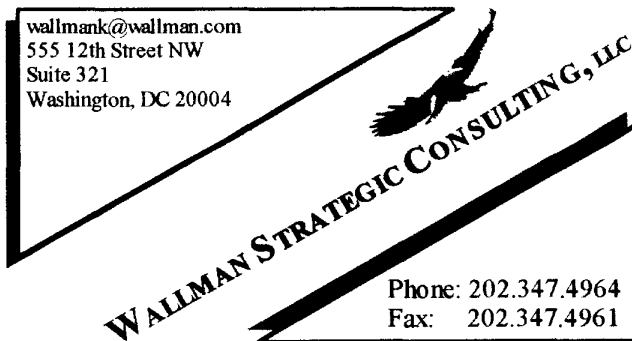
Enclosure

Copy Provided to:

Anna Gomez, Chief, Network Service Division, Common Carrier Bureau

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June 29, 1999

To: Anna Gomez  
Chief, Network Services Division  
Common Carrier Bureau  
From: John E. Logan  
Subject: CC Docket 99-237

Enclosed is the Comment of the Public Utility Commission of Texas. It notes the significance of the Commission's neutrality rules and the concern about future divestiture.

Copy provided to:

Magalie Roman Salas  
Secretary  
Federal Communications Commission



# Public Utility Commission of Texas

1701 N. Congress Avenue  
P. O. Box 13326  
Austin, Texas 78711-3326  
512 / 936-7000 • (Fax) 936-7003  
Web Site: [www.puc.state.tx.us](http://www.puc.state.tx.us)

Pat Wood, III  
Chairman

Judy Walsh  
Commissioner

Brett A. Perlman  
Commissioner

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March 11, 1999

Office of the Secretary  
Federal Communications Commission  
445 Twelfth St., S.W.  
Room TW-A325  
Washington, D.C. 20036

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RE: CC Docket No. 92-237  
NSD File No. 98-151  
Comments on Transfer of Lockheed Martin  
Communications Industry Services Business

To Secretary of the Commission:

Pursuant to the February 17, 1999, public notice released by the Common Carrier Bureau (Bureau)<sup>1</sup> in the above-referenced proceeding, the Public Utility Commission of Texas (PUCT) submits the following comments on the proposed purchase (Transaction) of Lockheed Martin's IMS Corporation's (Lockheed) Communications Information Services (CIS) division by the CIS Acquisition Corporation (CISAC), a subsidiary of Warburg, Pincus Equity Partners, L.P. (WPEP).

The Notice invited interested parties to comment on specific issues pertaining to Lockheed's request.<sup>2</sup> The PUCT's comments address the neutrality issue and the ability and commitment of CISAC to fulfill the remainder of Lockheed's current contract. The PUCT takes no position at this time on the other specific issues listed in the Notice.

In response to a January 7, 1999, Public Notice in this proceeding, Lockheed, Lockheed Martin IMS Corporation (LMIMS) and Warburg, Pincus & Co. (Warburg Pincus) (collectively referred to as the Parties) submitted their responses to 53 questions on the proposed Transaction forwarded to LMIMS by the Bureau on January 27, 1999 (Joint Response).<sup>3</sup> Based on its review of these responses as well as the Parties' December 21, 1998 filing requesting review and approval of the proposed Transaction, the PUCT files the following comments.

<sup>1</sup> *FCC Seeks Comment on Request for Expedient Review of the Transfer of the Lockheed Martin Communications Industry Services Business*, Public Notice, CC Docket No. 92-237, NSD File No. 98-151 (rel. Feb. 17, 1999) (Notice).

<sup>2</sup> Notice at 4-5.

<sup>3</sup> Lockheed Martin IMS and Warburg Pincus & Co. Joint Response to Questions and Issues Regarding Transfer of the Lockheed Martin Communications Industry Services Business, CC Docket No. 92-237, NSD File No. 98-151 (filed Feb. 16, 1999) (Joint Response).

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### **(1) Neutrality of CISAC**

The PUCT urges the FCC to insure that the proposed Transaction conforms to the neutrality provisions of 47 C.F.R. § 52.12. Fair, unbiased and efficient management and distribution of the nation's numbering resources is of paramount importance to the public and the telecommunications industry. The creation of an impartial administrator was intended to safeguard against inappropriate affiliations between the NANPA and telecommunications service providers. Toward that end, section 52.12(a)(1) sets forth specific, objective criteria to insure the neutrality of the NANPA. In light of Warburg, Pincus's current telecommunications investments, the FCC should carefully consider whether the proposed Transaction complies with both the letter and spirit of §52.12.

### **(2) Ability and commitment of CISAC**

In response to question 10, the Parties state that "there is no defined minimum level of performance for the CISAC investment that would give rise to a decision to exit Warburg Pincus's substantial investment in the business."<sup>4</sup> Warburg Pincus, as a financial investor, is in business to make money for its investors. If the NANPA or Local Number Portability Administration (LNPA) operations fail in the future to meet Warburg Pincus's subjective expectations, Warburg Pincus would presumably consider divestiture of these businesses. The PUCT suggests that Warburg Pincus be required to provide to the FCC more concrete assurances regarding its ability and commitment to serve as the NANPA throughout the term of any award.

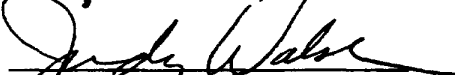
The PUCT makes no recommendation on whether the FCC should approve or deny the proposed Transaction. It raises these concerns and urges the FCC to give them serious consideration before making its final decision in this proceeding.

We appreciate the opportunity to offer these comments.

Respectfully submitted,



Chairman Pat Wood, III



Commissioner Judy Walsh



Commissioner Brett A. Perlman

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<sup>4</sup> Joint Response at 10.